

February 28, 2003

Mr. William Hohenstein
Global Change Program Office
United States Department of Agriculture
Room 112-a, J.L. Whitten Building
1400 Independence Ave, NW
Washington, DC 20250-3814

Re: Comments on Accounting Rules and Guidelines for Forest Carbon Sequestration

Dear Mr. Hohenstein:

The Conservation Fund supports the efforts of the United States Department of Agriculture (USDA) in developing the accounting rules and guidelines for crediting sequestration projects. These new accounting rules and guidelines will improve the Department of Energy's Voluntary Greenhouse Gas Reporting Program. The new registry to be established will account for private sector actions to reduce greenhouse gases.

Forest carbon sequestration, through forest restoration activities, represents an enormous potential to offset emissions of greenhouse gases. We encourage USDA to incorporate incentives into the accounting rules and guidelines that will maximize near-term investment in these projects. Wildlife habitat creation, native species protection, water quality improvements, soil erosion minimization and the recreational opportunities created by these projects are the immediately observable benefits. However, carbon offsets that will accrue can be substantial and may be the vehicle to get to the other benefits.

From the business point of view, the length of time to sequester significant carbon in new forests is measured in decades. This could represent a substantial disincentive for investment in forest restoration by the sectors that emit greenhouse gases. The Conservation Fund believes that source emission reductions should be pursued to address the climate change issue. However, carbon sequestration is a viable alternative as long as the principles of additionality, leakage and permanence are addressed. USDA should consider innovative ways to maximize the level and timing of offset credits provided for forest restoration activities.

Thank you for the opportunity to participate in the public comment process. We look forward to working with you further as the accounting rules and guidelines are drafted.

Regards,

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The Conservation Fund

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